



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 10-3, Delaware State Income Tax Withholding

Date: January 15, 2010

To: Holders of TAXES (State of Delaware only)
Personnel User Groups
T&A Contact Points in Delaware

Beginning with wages paid for Pay Period 4, the National Finance Center (NFC) will make the following change to the state of Delaware income tax withholdings:

- The withholding table will change.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to NFC's Home Page (www.nfc.usda.gov) and click the **Publications** link at the top of the page. At the Publications page right-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "►◄".

For questions about NFC processing, contact the Payroll/Personnel Call Center at **504-255-4630** or the EmpowHR Help Desk at **1-888-367-6955**

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Delaware State Income Tax Information

State Abbreviation: DE
State Tax Withholding State Code: 10
Acceptable Exemption Form: W-4
Basis For Withholding: State Exemptions
Acceptable Exemption Data: S, M,/ Number of Exemptions
TSP Deferred: Yes
Special Coding: None
Additional Information: None

Withholding Formula ►(Effective Pay Period 4, 2010)◄

1. Subtract the biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) (includes dental and vision insurance program, and flexible spending account – health care and dependent care deductions) from the amount computed in Step 1.
3. Multiply the adjusted gross biweekly wages times 26 to obtain the annual wages.
4. Determine the standard deduction allowance by applying the following guideline and subtract this amount from the annual wages.

Single
\$3,250

Married (Filing Jointly)
\$6,500

Married (Filing Separately)
\$3,250

5. Apply the taxable income computed in step 3 to the following table to determine the annual Delaware tax withholding.

Tax Withholding Table						
If the Amount of Taxable Income Is:		The Amount of Delaware Tax Withholding Should Be:				
Over:	But Not Over:	Of Excess Over:				
\$ 0	\$ 2,000	\$ 0.00	plus	0.00%	\$ 0	
2,000	5,000	0.00	plus	2.20%	2,000	
5,000	10,000	66.00	plus	3.90%	5,000	
10,000	20,000	261.00	plus	4.80%	10,000	
20,000	25,000	741.00	plus	5.20%	20,000	
25,000	60,000	1,001.00	plus	5.55%	25,000	
60,000	and over	2,943.50	plus	►6.95%◄	60,000	

6. Determine the annual tax credit by applying the following guideline and subtract this amount from the result of step 4.

Tax Credit = \$110 x Number of Personal Exemptions

7. Divide the annual Delaware tax withholding by 26 to obtain the biweekly Delaware tax withholding.